

100 Million Tax Seen If Insurance Bill Passes

North Coast Council Opposes Compulsory Insurance Bill

State levies of one hundred million dollars a year would be required to finance the compulsory health insurance plan now awaiting action by the California Legislature, members of the North Coast Council Taxation Committee—one of the major State Chamber of Commerce committees meeting here today—pointed out following their meeting.

Discussion of the health insurance plan featured the Taxation Committee's session during the morning. H. H. Sawyer, chairman, presided at the meeting, at which a bulletin recently compiled by the State Chamber on the plan, was read and discussed at length.

Of the \$100,000,000 annual tax levy, \$80,000,000 would be raised by new pay roll taxes and new state or federal taxes, the committee pointed out. This amount would go into a medical benefit fund, and \$20,000,000 would be shifted from the employee pay roll taxes now going into the unemployment reserve fund would be shifted to a new disability benefit fund, according to the State Chamber's bulletin, which analyzes Assembly Bill 2172.

From the fund of \$80,000,000 to be so created, the state would undertake to provide all medical care and medicines, and specified dental, hospital and nursing care, to all employed workers receiving less than \$3,000 per year and their dependents.

The State Chamber bulletin says:

"The most important provisions of the measure would provide for a system of compulsory health insurance for about 1,800,000 employed workers and dependents. Under this act, the state would collect by new taxation about \$80,000,000 annually, to go into a state medical benefit fund.

Employees Provide One-Third

"Employees would provide one-third of this fund by means of a 1 per cent pay roll tax on earnings. The remaining two-thirds would be provided by the general public, one-third to be raised by a 1 per cent employer pay roll tax, and one-third by other new taxes which are not specified in this measure.

"For about 70 per cent of the state's population the existing relationship between doctors and patients would be entirely changed. All licensed physicians and surgeons would be permitted to register and contract with the state to furnish medical and surgical care for this group of workers and their dependents.

"A doctor's payment would not be on the present basis of fees for various services actually rendered to individual patients, but each doctor would be paid a uniform flat rate of so many dollars per year for each person on his medical list, regardless of the amount or quality of services rendered."

The State Chamber of Commerce, at a recent meeting of its Board of Directors, voted to oppose this health insurance measure, raising particular objection to the method of finance proposed, and the addition of new pay roll taxes on industrial and business employers.—*Santa Rosa Republican*, May 5.

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Health Insurance Bill Loses First Test in Assembly Administration Forces Beaten on Referendum Amendment; Final Defeat Is Predicted

Sacramento, May 16.—By a vote of 41 to 33 the Assembly late today gave positive indication it will defeat the compulsory health insurance bill sponsored by Governor Olson when the measure is up for final action.

The decisive vote came on an amendment by administration forces to provide that the bill would not become effective until it had been approved by the people. Plans were to submit it to the voters at the 1940 general election.

The amendment proposing a referendum was offered in an effort to stave off defeat for the administration forces. Assemblyman Ben Rosenthal, Los Angeles, author of the bill and an Olson leader, presented the amendment.

Termed "Evasive"

Characterizing the amendment as "a subterfuge and an evidence of insincerity," Assemblyman Melvin I. Cronin, San Francisco, one of the opponents of the bill, declared the sponsors of the health insurance program should submit it as an initiative measure if they wished to put it before the people.

Assemblyman Charles W. Lyon, Los Angeles, joined in urging defeat for the amendment, declaring the "orderly way for the Legislature to submit such a program is by a constitutional amendment which would require the votes of fifty-four members of this body." He also branded the amendment as "evasion and a subterfuge."

Prior to the vote on the amendment a series of other changes were made in the bill. The most important ex-

empted members of the Christian Scientist faith from the provisions of the bill. Another provided for cash reimbursement and hospitalization for those who earn more than \$3,000 annually, giving them the same credit as those in the brackets between \$300 and \$3,000. Other amendments excluded all persons not included under provisions of the unemployment reserves act.

Assemblyman Rosenthal admitted that his bill faced defeat. He declared the "medical lobby" had been too strong for his forces.

The bill provides for the establishment of a compulsory health insurance system for persons earning between \$300 and \$3,000 per annum, financed by a 1 per cent contribution from employer, employee and state. Physicians would register under a panel system. The plan would be placed within the present unemployment reserves for administrative purposes.—*San Francisco Chronicle*, May 17.

LETTERS

Subject: Statute of limitations.*

(COPY)

May 9, 1939.

Dear Doctor:

Yours of May 1 addressed to the California Medical Association has been referred to me for reply. Ordinarily, a claim for medical services would be barred by the statute of limitations if pleaded, unless suit is brought within two years from the date of rendition of services. Therefore, it is well to either commence a suit within two years from date of rendition of services or secure a promissory note or a written acknowledgment of the debt before the two-year period passes.

Under certain circumstances the statute of limitations on a suit to recover professional fees is four years, but it is not advisable to wait more than two years and risk the interposition of the two-year statute as a defense.

Normally a claim for negligence (malpractice) against a physician can be barred by pleading the statute of limitations if the action is commenced more than one year after the alleged negligent action or omission occurred.

I am stating the general rules. There are exceptions to both, particularly in malpractice cases where the alleged negligent act may be a continuing one, *e. g.*, failure to remove a sponge.

Very truly yours,

HARTLEY F. PEART.

Subject: Medical advice over the radio.

(COPY)

JOINT COMMITTEE ON PROFESSIONAL RELATIONS
OF THE
MEDICAL SOCIETY OF NEW JERSEY
AND THE
NEW JERSEY PHARMACEUTICAL ASSOCIATION

Trenton, New Jersey,

May 5, 1939.

To the Editor:—The Joint Committee on Professional Relations of the Medical Society of New Jersey and the New Jersey Pharmaceutical Association at a recent meeting passed the following resolution, which has been endorsed by the Medical Society of New Jersey and the New Jersey Pharmaceutical Association:

Resolved, That the Joint Committee on Professional Relations request the Medical Society of New Jersey and the New Jersey Pharmaceutical Association to enter a formal protest against the prescribing of medicines and the giving of medical advice on the radio, with the excep-

* Copy of a letter from General Counsel Hartley F. Peart to a member of the California Medical Association.